NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision 5 year lease for one lot

THIS LEASE AGREEMENT is made this 28 day of 1911

## PAID UP OIL AND GAS LEASE (No Surface Use)

) by and between

as Lessor (whether	one or more) ud	to single	berrou	<del></del>				
PP. Box 1			Tx 76031		•			
and DALE PROP	PERTY SERVICE  I as Lessee, but all  ration of a cash be	CES L.L.C. 210 all other provision	00 Ross Ave Suns (including the	completion of blank	spaces) were	prepared jointly	by Lessor and Lesse	this lease were prepared by the party e. to Lessee the following described land,
Lot(s) 2	, Block	45	of the _	Dia mond	HAH /	Addition		an addition to the City of
Fort Worth, Te	exas more r	particularly (	Or ure described_by	metes and ho	vinde in t	hat certain	DIAT	recorded in Volume
Fort Worth, Te	, Page _	<u>al</u>	of the	Plat and se	_Records	. Tarrant Cou	unty, Texas, (	)
produced in associa as hydrocarbon gas Lessor which are c	nerwise), for the ation therewith (in ation therewith (in ses. In addition to contiguous or adjusted or supplement	purpose of exp including geophy to the above-de jacent to the abountal instruments	oloring for, develousing the construction of t	oping, producing as erations). The term remises, this lease a sed premises, and, lete or accurate desi	nd marketing "gas" as used dso covers act in considerat cription of the	oil and gas, ald therein includes coretions and any ion of the aforent tand so covered	ong with all hydroca helium, carbon dioxi small strips or pare nentioned cash bonus	sor may hereafter acquire by reversion, orbon and non hydrocarbon substances de and other commercial gases, as well els of land now or hereafter owned by s, Lessor agrees to execute at Lessee's determining the amount of any shut-in
or other substances pursuant to the provalties or at Lessee's separate oil purchaset's tranfield (or if there is a for gas (including a proportionate part of or other substances, in the same field (of contracts entered in thereafter one or musuch wells are wait nevertheless be deep roduction therefor Lessor's credit in the well or wells are sold by Lessee from	s covered hereby visions hereof, on oil, gas and oth for facilities, the rapportation facilities on such price their casinghead gas) at of ad valorem tax s, provided that Lab for if there is no suffer wells on the liting on hydraulic emed to be produom is not being so the depository desire shut-in or produm another well of manother well of an oil of the shut-in or produm another well of an oil oil of the depository desire shut-in or produm another well of an oil	ware produced in their substances proyalty shall be a ties, provided the provided the provided the production of their production of their production of their production of their properties of their properties of their properties of their provided their provided their production of their production their production of their production their production of their provided their production their production of their production of their production their production of their production their production their production of their production their production of their production their prod	in paying quantition of the continuation of the same field, the stances covered hon, severance, or the continuing of the continuing of the continuing in the stiling date as the date or lands pooled to lation, but such a quantities for the hen Lessee shall on or before the on is not being so leased premises of the same of the continuation of the same of the continuation of the same of the continuation of	d hereunder shall be d hereunder shall be be of such production in the nearest fiel hereby, the royalty so other excise taxes a ght to purchase suc ame field, then in the to on which Lessee herewith are capable well or wells are eit be purpose of mainta oay shut-in royalty of od by Lessee, provid or lands pooled the related to the purchase of or lands pooled the related to the provider of lands pooled the or lands production.	premises or e paid by Les on, to be deli- ight to purche d in which th hall be Twent and the costs: h production the nearest fiel commences e of either pr her shut-in of ining this lea of one dollar beriod and the led that if this ewith, no shi	from lands poole see to Lessor as vered at Lessee's ase such a prevent of the production of the land o	ed therewith or this a follows: (a) For oil a soption to Lessor at the control of the proceeds realized the proceeds and (c) if at the proceed that the proceeds the proceed that the proceeds the proceed that the proceeds the proceed	f, and for as long thereafter as oil or gas lease is otherwise maintained in effect and other liquid hydrocarbons separated the wellhead or to Lessor's credit at the narket price then prevailing in the same fuction of similar grade and gravity; (b) if by Lessee from the sale thereof, less a essing or otherwise marketing such gas se paid for production of similar quality price) pursuant to comparable purchase the end of the primary term or any time covered hereby in paying quantities or lold by Lessee, such well or wells shall days such well or wells are shut-in or the payment to be made to Lessor or to of the end of said 90-day period while by operations, or if production is being and of the 90-day period next following, but shall not operate to terminate this
Lessor's depository and such payments to Lessee shall cons Lessor shall, at Less 5. Except as premises or lands pto the provisions of	y agent for receive or tenders to Less stitute proper pay usee's request, delip provided for in Proposed therewith, f Paragraph 6 or tamenees operation with within 90 day ter, this lease is not therefrom, this erations result in	ving payments re ssor or to the dep yment. If the de liver to Lessee a Paragraph 3. abo or if all product the action of anyons for reworking	egardless of changository by depository should I proper recordable ove, if Lessee drittion (whether or ray governmental age an existing well ion of operations	ges in the ownership it in the US Mails in iquidate or be succe e instrument naming lls a well which is not in paying quanti uthority, then in the or for drilling an ac- on such dry hole or	o of said land a stamped er eded by anot another insti- incapable of ties) permane event this le- dditional well	<ol> <li>All payments on evelope addresses ther institution, of itution as deposite producing in pay ently ceases from ase is not otherwise or for otherwise</li> </ol>	or tenders may be may d to the depository or or for any reason fail ory agent to receive p ying quantities (herei- any cause, including rise being maintained to obtaining or restoring sation of all productic	nafter called "dry hole") on the leased a revision of unit boundaries pursuant in force it shall nevertheless remain in as production on the leased premises or

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not

exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel, based on 24-hour

production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall

or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in

order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective

date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the

notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties der, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance

with the net acreage interest retained hereunder.

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10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or the leased premises, except water from Lessor's wells or the leased premises. ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lesse, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable

for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or

part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lesser's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

Signature: <u>Manuel Rudrigue</u> Printed Name: <u>Manuel Rodrigue</u> ?	Signature: Printed Name:
	LEDGMENT
STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the <b>&amp;%</b> day of _	April , 20 08, by
Manuel Rodeiquez	
June :	Notary's name (printed): Notary's commission expires:
	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
CORPORATE AC STATE OF TEXAS	KNOWLEDGMENT
COUNTY OF	
This instrument was acknowledged before me on the day of acorporation, or	n behalf of said corporation.
	Natary Dublic State of Tayas

Notary's name (printed): Notary's commission expires:



## DALE RESOURCES LLC 2100 ROSS AVE STE 1807 LB-9

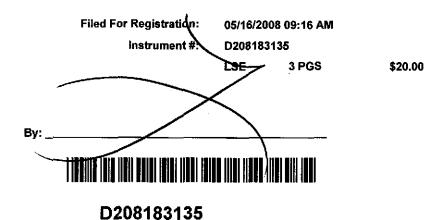
**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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